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on Trade and Development

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Meeting convened under article 40,
paragraph 3, of the International Agreement
on Jute and Jute Products, 1989
Geneva, 12 April 1991

Report of the Chairman of the Meeting

1. The Secretary-General of UNCTAD, acting on behalf of the Secretary-General of the United Nations, invited, in accordance with article 40, paragraph 3, of the International Agreement on Jute and Jute Products, 1989, those Governments which had signed the Agreement pursuant to article 37, paragraph 2 (a), or which had deposited instruments of ratification, acceptance or approval, or had notified the depositary that they would apply the Agreement provisionally, to meet on Friday 12 April 1991 and to decide to put the Agreement into force provisionally or definitively among themselves in whole or in part.

2. The Meeting was held in the Palais des Nations, Geneva, on 12 April 1991.

3. The following parties to the Agreement were represented at the Meeting: Bangladesh, Belgium, China, Denmark, European Economic Community, Finland, France, Germany, Greece, India, Indonesia, Ireland, Japan, Luxembourg, Netherlands, Norway, Pakistan, Spain, Sweden, Switzerland and the United States of America. The following States signatories of the Agreement were represented: Italy, Portugal and the United Kingdom. The following other States were represented: Australia, Nepal, Thailand and Turkey. The following intergovernmental organizations were represented: Food and Agriculture Organization of the United Nations and the International Jute Organization. The International Trade Centre UNCTAD/GATT was also represented.

4. The Chairman of the Meeting was Mr. C. Greenhill, Deputy Director, Commodities Division, UNCTAD.

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5. The Chairman welcomed the participants on behalf of the Secretary-General of UNCTAD, who was away from Geneva on urgent business. He recalled that the International Agreement on Jute and Jute Products, 1989, should have entered into force definitively or provisionally on 1 January 1991 or on any date thereafter if, by that date, three Governments of exporting countries accounting for at least 85 per cent of net exports and 20 Governments of importing countries accounting for at least 65 per cent of net imports, had either signed the Agreement definitively or had deposited instruments of ratification, acceptance, approval or accession or had notified the depositary under article 37 that they would apply the Agreement provisionally. As these conditions had not been met on 1 January 1991 the Secretary-General of UNCTAD, in consultation with the parties concerned, had convened this Meeting in accordance with article 40, paragraph 3, of the Agreement.

6. He then summarized as follows the action taken so far by the signatories of the Agreement. While on the side of the exporting countries the conditions for entry into force had been met, this was not the case on the side of the importing countries. Twenty-one importing Governments and the European Economic Community had signed the Agreement, but they represented only 62.654 per cent of net imports vis-à-vis the 65 per cent required for automatic entry into force of the Agreement. As of 12 April 1991, definitive signatures, ratifications, acceptances, approvals and notifications of provisional application accounted for 89.128 per cent on the side of exporting countries and 52.323 per cent on the side of importing countries. He had been informed that several importing countries which had signed the Agreement intended to take action in the near future, and that other countries, both exporting and importing, which had not yet signed the Agreement intended to accede - or were actively considering accession - to the Agreement.

7. The Chairman said in conclusion that, in the light of the developments described by him, the Secretary-General of UNCTAD had convened this Meeting in order that the Governments concerned could decide to put the Agreement into force provisionally or definitively among themselves in whole or in part. He proposed that the Meeting should decide to put the Agreement into force provisionally and in whole effective 12 April 1991.

8. The representative of the Netherlands, speaking on behalf of the European Economic Community and its member States, said that the Community and its member States were fully supportive of the International Agreement on Jute and Jute Products, 1989, and that they attached great importance to the realization of all the objectives mentioned in Article 1 of the Agreement. The Council of Ministers had decided to apply the Agreement as from the date of its entry into force and a decision to this effect had been submitted to the depositary on 22 March 1991. This decision of the Council of Ministers was binding on all member States. Although 3 of the 12 member States had not yet finalized their internal procedures, this delay in no way reflected a lack of commitment on their part. Since internal procedures in the countries concerned were in progress, it could be expected that they would become parties to the Agreement as importing members before the commencement of the next jute year. In view of these developments the European Community and its member States could agree to put the Agreemnt into force on 12 April 1991.

9. He stressed that the realization of the objectives of the Agreement depended on the participation of the largest number of countries concerned. He appealed to the States Members of the United Nations to become parties to the Agreement, in particular those countries that had been parties to the first Agreement but had not yet signed the second Agreement. He invited the Executive Director of the International Jute Organization to intensify his efforts to persuade other countries to become members of the International Jute Organization.

10. The representative of Bangladesh said that, although his Government had hoped that the Agreement would have entered into force on 1 January 1991, he warmly welcomed the forthcoming decision of this Meeting to put the Agreement into force. The first as well as the second International Agreement on Jute and Jute Products had recognized the importance of jute as a commodity. As a result of the Agreement, exporting and importing countries had agreed to share responsibility for international trade in jute. International support for jute would benefit millions of people in producing countries. The Agreement was an example of cooperation and understanding in relations between countries in the North and in the South. The Agreement had helped to save a commodity, as prospects for production and trade of jute were no longer as gloomy as they had been in the past.

11. The representatives of China, Finland, India, Indonesia, Japan, Norway, Pakistan, Sweden, Switzerland and the United States of America said that they were in favour of the coming into force of the Agreement. Their Governments supported the immediate entry into force of the Agreement, provisionally and in whole. They called on other countries to become parties to the Agreement and they expressed the hope that it would have a broad-based participation which would ensure the effectiveness of its operation.

12. The Chairman then drew attention to the text of a draft decision prepared by the UNCTAD secretariat. The Meeting adopted the decision unanimously. The text of the decision is annexed to this report.

13. Following the adoption of the decision, the representative of Nepal stated that his Government supported the Agreement. He informed the Meeting that his country would accede to the Agreement in a few months' time.

14. The Executive Director of the International Jute Organization said that the negotiation of the second Agreement on Jute and Jute Products in 1989 was a testimony to the concern and goodwill felt by the importing countries for the jute-producing and exporting countries. It was the same spirit of goodwill and cooperation that had prompted all concerned to agree today to the provisional application of the new Jute Agreement until the requirements of definitive application would be met. This would enable the International Jute Organization to continue its ongoing project activities uninterrupted and to take up new activities.

15. He assured the Meeting that the International Jute Organization secretariat would do its utmost to persuade all the parties to the first Agreement to also become parties to the second Agreement. He appealed to the representatives of those countries which had signed the new Agreement but had not yet completed the legal formalities to become members of the International Jute Organization as required under article 40 of the Agreement, to do so as

early as possible so that they could play their rightful role in the International Jute Organization. He appealed also to the representatives of those countries which had not yet initiated any action to become parties, to do so as soon as the conditions for accession were established by the Jute Council.

16. He thanked the Governments of those countries which had decided to put the new Agreement into force provisionally. He also thanked the European Economic Community and UNCTAD for their valuable contributions to the success of the Meeting. He expressed his sincere thanks to the member countries and the international organizations concerned, for the support extended to the International Jute Organization during the period of the first Agreement. He was sure they would continue to give similar support in future.

17. Closing the proceedings, the Chairman said that the UNCTAD secretariat would inform the depositary of the Agreement of the decision adopted by the Meeting.

DECISION

The Governments of the States, and the intergovernmental organization, listed in the annex to the present decision,

Acting pursuant to article 40, paragraph 3, of the International Agreement on Jute and Jute Products, 1989,

Having met in Geneva on 12 April 1991,

Decide to put the International Agreement on Jute and Jute Products, 1989, into force provisionally among themselves in whole as of 12 April 1991,

Decide further that the Agreement shall enter into force definitively when the requirements set forth in article 40, paragraph 1, of the Agreement have been met, without necessitating a further meeting of the Governments concerned.

Annex

Bangladesh

Belgium

China

Denmark

Finland

France

Germany

Greece

India

Indonesia

Ireland

Japan

Luxembourg

Netherlands

Norway

Pakistan

Spain

Sweden

Switzerland

United States of America

European Economic Community

12 April 1991

Status of action on 12 April 1991 regarding the International Agreement on Jute and Jute Products, 1989

| Exporting Countries | Action taken | Date of action | | Percentage counting towards entry into force | |
|---|---|---|---|---|---|
| Bangladesh | Ratification | 29.01.91 | | 61.578 | |
| China | Definitive signature | 18.07.90 | | 8.681 | |
| India | Ratification | 17.09.90 | | 18.869 | |
| | | | | 89.128 | |
| **Importing Countries** | | | | | |
| European Economic Community: | Provisional application | 22.03.91 | (24.008) | | |
| Belgium | Provisional application | 22.03.91 | | 6.200 | (percentage for Belgium & Luxembourg) |
| Denmark | Provisional application | 22.03.91 | | 0.242 | |
| France | Provisional application | 20.12.90 | | 1.949 | |
| Germany | Provisional application | 22.03.91 | | 3.128 | |
| Greece | Provisional application | 22.03.91 | | 0.330 | |
| Ireland | Provisional application | 04.04.91 | | 0.363 | |
| Italy | Signature | 20.12.90 | (1.399) | | |
| Luxembourg | Provisional application | 20.12.90 | | | |
| Netherlands | Provisional application | 22.03.91 | | 2.434 | |
| Portugal | Signature | 20.12.90 | (0.275) | | |
| Spain | Provisional application | 22.03.91 | | 1.421 | |
| United Kingdom of Great Britain and Northern Ireland | Signature | 20.12.90 | (6.267) | | |
| Egypt | Signature | 31.12.90 | (2.390) | | |
| Finland | Provisional application | 20.03.91 | | 0.077 | |
| Indonesia | Ratification | 03.04.90 | | 2.269 | |
| Japan | Acceptance | 13.07.90 | | 6.542 | |
| Norway | Ratification | 28.12.90 | | 0.055 | |
| Pakistan | Ratification | 30.01.91 | | 12.974 | |
| Sweden | Ratification | 20.03.90 | | 0.044 | |
| Switzerland | Definitive signature | 09.11.90 | | 0.198 | |
| United States of America | Acceptance | 31.12.90 | | 14.097 | |
| | | | Total | 52.323 | |